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Substantively Consolidated SIPA Liquidation of  
Bernard L. Madoff Investment Securities LLC and  
the Estate of Bernard L. Madoff*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION  
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC,

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation of  
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

CORNERSTONE CAPITAL (DEL), INC.;  
DAVID PULVER, in his capacity as President of  
Cornerstone Capital (Del), Inc. and Individually; and  
CAROL PULVER,

Defendants.

Adv. Pro. No. 08-01789 (SMB)

SIPA LIQUIDATION

(Substantively Consolidated)

Adv. Pro. No. 10-05413 (SMB)

**STIPULATION AND ORDER FOR VOLUNTARY DISMISSAL  
OF ADVERSARY PROCEEDING WITH PREJUDICE**

Irving H. Picard (the “Trustee”), as trustee for the liquidation of the business of Bernard L. Madoff Investment Securities LLC under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa, *et seq.*, and the substantively consolidated estate of Bernard L. Madoff individually, by and through his counsel, Baker & Hostetler LLP, and defendants Cornerstone Capital (Del), Inc., David Pulver, in his capacity as President of Cornerstone Capital (Del), Inc. and individually, and Carol Pulver (“Defendants”), by and through their counsel, Lowenstein Sandler PC (collectively, the “Parties”), hereby stipulate and agree to the following:

1. On December 10, 2010, the Trustee filed and served the Complaint against Cornerstone Capital (Del), Inc., David Pulver, in his capacity as President of Cornerstone Capital (Del), Inc. and individually, and Carol Pulver, seeking the avoidance and recovery of transfers made by BLMIS within two years of December 11, 2008 (the “Two Year Transfers”) and transfers made by BLMIS prior to December 11, 2006 (the “Non-Two Year Transfers”).

2. On January 13, 2012, Defendants Cornerstone Capital (Del), Inc., David Pulver, in his capacity as President of Cornerstone Capital (Del), Inc. and individually, and Carol Pulver served an answer to the Complaint on the Trustee.

3. On February 3, 2012, the Trustee filed and served the Amended Complaint against Cornerstone Capital (Del), Inc., David Pulver, in his capacity as President of Cornerstone Capital (Del), Inc. and individually, and Carol Pulver.

4. On March 5, 2012, Defendants Cornerstone Capital (Del), Inc., David Pulver, in his capacity as President of Cornerstone Capital (Del), Inc. and individually, and Carol Pulver served an answer to the Amended Complaint on the Trustee.

5. By Order dated April 30, 2012 (the “Dismissal Order”), the United States District Court for the Southern District of New York dismissed the Trustee’s claims to avoid and recover the Non-Two Year Transfers made to certain defendants based on an interpretation of Bankruptcy Code Section 546(e). The Trustee appealed the Dismissal Order to the United States Court of Appeals for the Second Circuit.

6. On December 8, 2014, the Second Circuit affirmed the Dismissal Order.

7. On December 15, 2014, the Parties entered into a settlement agreement (the “Agreement”) pursuant to the Settlement Procedures Order entered by this Court on November 12, 2010 [ECF No. 3181].

8. Under the Settlement Agreement, the Parties settled the Trustee’s claims for the Two Year Transfers but agreed to stay this proceeding until a final, non-appealable order is issued affirming or reversing the Dismissal Order.

9. Under the Agreement, if the Dismissal Order is affirmed, the Parties agreed to execute a stipulation of dismissal dismissing this adversary proceeding in its entirety with prejudice and without costs to either the Trustee or Defendants.

10. On June 22, 2015, the Supreme Court of the United States denied certiorari of the Trustee's appeal of *SIPC v. Ida Fishman Revocable Trust*, 14-1128 and *Picard v. Ida Fishman Revocable Trust*, 14-1129, and thus affirmed the Dismissal Order (the "Supreme Court Decision").

11. In accordance with the Agreement, the Supreme Court Decision and Federal Rule of Bankruptcy Procedure 7041, and Federal Rule of Civil Procedure 41(a)(1)(ii), the Parties hereby stipulate to a dismissal of the Trustee’s claims against Defendants in the above-captioned adversary proceeding and of the adversary proceeding with prejudice and without costs.

12. The provisions of this Stipulation shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns and upon all creditors and parties of interest.

13. This Stipulation may be signed by the Parties in any number of counterparts, each of which when so signed shall be an original, but all of which shall together constitute one and the same instrument. A signed facsimile, photostatic or electronic copy of this Stipulation shall be deemed an original.

Dated: July 20, 2015

**BAKER & HOSTETLER LLP**

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*Attorneys for Defendants Cornerstone Capital  
(Del), Inc., David Pulver, in his capacity as  
President of Cornerstone Capital (Del), Inc. and  
individually, and Carol Pulver*

SO ORDERED

Dated: July 20<sup>th</sup>, 2015  
New York, New York

/s/ STUART M. BERNSTEIN  
HONORABLE STUART M. BERNSTEIN  
UNITED STATES BANKRUPTCY JUDGE